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EDIC/M-6
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21 February 1955

ECONOMIC DEFENSE INTELLIGENCE COMMITTEE

Minutes of 6th Meeting

10:15 - 11:45, 11 February 1955

PRESENT

25X1A9a

[REDACTED]

Lt. Col. Brown, OSD
Miss Baldwin, FOA
Mr. Tilson, FOA/MDAC
Mr. Reiss, Commerce
Mr. Herman, Commerce
Mrs. Young, State/ECD
Mr. Coster, State/ECD

1. REPORT ON CURRENT STATUS OF COPPER NEGOTIATIONS

Discussion - The Acting Chairman reviewed the present status of JOC discussions and [REDACTED] negotiations regarding controls on copper. He stated that JOC is preparing a negotiating paper for use in COCOM and that a separate study of clandestine trade in copper is being prepared in CIA as a partial basis for discussions with [REDACTED] covering Bloc copper imports. State and CIA representatives will meet shortly with [REDACTED] to prepare a paper on the question of Bloc imports. This will be an intelligence exercise, not a negotiating session.

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2. APPROACH TO EDIC PAPER ON CRITERIA FOR CHINA LIST

Discussion - The Acting Chairman briefly reviewed the discussion of this subject at the 18 January meeting of EDIC. He reported that State and CIA had now agreed to produce a paper which

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will be reviewed by EDIC and then forwarded to the Executive Committee. Messrs. Hansen, MDAC, and Goodkind, State have suggested that intelligence not feel limited by any political problems which might underlie the negotiations of criteria but that criteria should be proposed which, on the basis of intelligence, would be the most effective in achieving U.S. objectives. The Acting Chairman explained that EDIC will be kept advised of the progress of this joint paper.

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3. PROPOSED [REDACTED] EXCHANGE OF INFORMATION ON CHINA TRADE

Discussion - The Executive Secretary distributed Intelligence Request No. 4 which transmits for EDIC consideration an MDAC request of 7 February. Mr. Tilson referred to POLTO A-379 of 11 January which furnished the basis for the MDAC submission to EDIC.

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Briefly, [REDACTED] has proposed to the USDEL an exchange of statistical information on the volume of commerce in strategic commodities to China via the European Soviet bloc. [REDACTED] has supplied some information and has urged that similar US information be supplied him in return. He has suggested also the desirability of further bilateral or trilateral discussions on the subject. USRO/ST has requested Washington comments on the proposed exchange which the Executive Committee on 4 February tentatively approved subject to concurrence by the Intelligence community. MDAC has requested an EDIC project to include evaluation of information furnished by [REDACTED] and preparation of a paper which could be furnished in return.

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Mr. Tilson reported that USRO/ST and MDAC favored such an exchange in order to obtain additional information from [REDACTED] 25X1C8c and to furnish psychological support [REDACTED] who has proved 25X1C8c a staunch friend of the U.S. in COCOM. A draft TOPOL has been drafted which seeks to elicit additional information necessary for evaluating the information already provided by [REDACTED] 25X1C8c

The Acting Chairman declared that this exchange should be the responsibility of FOA/MDAC and not of the intelligence community. He cautioned the members that if extracts for this purpose are to be taken from the EIC R-1 series, approval must be obtained for release of such material from contributing agencies in the EIC and [REDACTED] 25X1X7 intelligence.

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25X1X7 In the context of this MDAC request and of the CG resolution to discuss Soviet trade tactics, reference was made to [REDACTED] inquiry concerning an [REDACTED] information on Soviet-satellite financial relations.

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Action - The Acting Chairman agreed to contact the EIC regarding use of extracts from the EIC R-1 series and requested Mr. Tilson to inquire into the use of DCN facilities for purposes of this exchange. It was further agreed that this MDAC request would be formalized as an EDIC case but would be held in suspense pending a response to the requirements sent to USRO/ST.

4. DISTRIBUTION AND/OR DISCUSSION OF OTHER EDIC PAPERS

25X1A2g a) EDIC/WP-1, Soviet Production of Jeeps - A draft working paper, prepared from materials developed by CIA, AFOIN, and G-2, had been distributed prior to the meeting. Mr. Reiss declared that this paper was very useful to the Bureau of Foreign Commerce in re-evaluating the strategic rating of this type vehicle. [REDACTED] referred to 25X1A9a [REDACTED] which furnished additional information on the USSR-Icelandic trade agreement. Members were requested to indicate their reaction to the draft paper by 16 February and, in addition, their interest in receiving photographic material on Soviet-produced "jeeps."

b) EDIC/AM-4, Statement on Distribution of Current Economic Defense Intelligence to Action Agencies - The Executive Secretary reported that this memorandum had been accepted by all member agencies.

c) EDIC/AM-5, Transmittal of "Alphabetical Index to Strategic Commodities" - Members were provided copies of an alphabetical index based upon the several U.S. and international security export control lists in use as of 30 November 1954. This index, prepared in CIA, will be reproduced in quantity to fill the needs of member agencies.

d) EDIC/ID-10, ONI Contribution - "Finnish Merchant Ships for Communist China" - Distribution of this intelligence item evoked a discussion of the effectiveness of bunker controls in preventing Chinese Communist acquisition of both vessels and strategic cargoes. An extended discussion followed of action being taken by State to discourage Finnish sale of such vessels to Communist China.

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5. OTHER INTELLIGENCE MATTERS

a) Mr. Reiss reported on recent Paris talks concerning consolidation of the China Special List. These discussions were concerned with technical rather than policy considerations.

b) The Executive Secretary suggested that, with the exception of the Subgroup on Intelligence on Trade in Decontrolled Commodities, all IWG and EDIC subgroups be dissolved. A list of all such subgroups will be distributed with members to indicate their reaction to this suggestion.

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Distribution

Cat. B - (1-12) (M/NF, S/TR, I/TH)

~~S - (1-12)~~

~~D - (A12)~~

E - (1-12, 16, 18)

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